

State Farm Insurance Companies  
Mid-Atlantic Zone  
One State Farm Drive  
Frederick, MD 21709-1000  
Contact: Erin Bailey  
(304) 367-7811  
erin.bailey.gglf@statefarm.com

***FOR IMMEDIATE RELEASE***

**STATE FARM TO START ACCEPTING NEW HOMEOWNERS AND BUSINESS  
INSURANCE CUSTOMERS AGAIN IN WEST VIRGINIA**

Frederick, Md., April 26, 2005 – State Farm Insurance, the largest property and casualty insurer in West Virginia and in the nation, announced today that it will begin accepting applications from new West Virginia customers for homeowners insurance and most lines of business insurance starting May 1, 2005.

State Farm stopped accepting applications from new West Virginia homeowners insurance customers in July 2002. State Farm also stopped accepting new business insurance customers in West Virginia in January 2003. State Farm incurred nearly \$200 million in homeowners and business insurance underwriting losses in West Virginia from 1993 through 2003.

The company cited recent changes to the insurance and legal climate in West Virginia for its decision, including several new laws passed this year by the West Virginia Legislature. One of the new laws provides more flexibility in allowing insurance companies to nonrenew high-risk homeowners. Another new law establishes a "file & use" system of rate approval

for commercial business insurance products. The West Virginia Legislature also modified the doctrine of "joint and several" liability, and abolished the private cause of action for third party lawsuits against insurance companies, bringing West Virginia in line with the law in 44 other states.

Operations Vice President for State Farm's Mid-Atlantic Zone, Arlene Hogan, recognized Governor Joe Manchin and the West Virginia Legislature for their leadership in passing the new laws. "Governor Manchin is to be commended for his leadership in addressing the problems in West Virginia's insurance market during his first year as Governor. Senate President Earl Ray Tomblin and House Speaker Bob Kiss are also to be commended for their leadership on these issues. These reforms will bring more stability to the West Virginia insurance market. This increased stability allows us to begin accepting new homeowners and business insurance customers again in West Virginia." Hogan said.

State Farm Insurance has 146 independent contractor agents in West Virginia and more than 840 people are employed in State Farm claim offices and agencies throughout the state. It insures 30% of all the automobiles and 25% of all the homes in West Virginia.